



Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

www.dmas.state.va.us

MEDICAID MEMO

TO: All Providers participating in the Virginia Medical Assistance Program and Managed Care Organizations providing services to Virginia Medicaid recipients

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

MEMO Special
DATE 10/18/2002

SUBJECT: Implementation of the New Virginia Medicaid Management Information System (MMIS)

In August, the Department of Medical Assistance Services (DMAS) notified you about our new Medicaid Management Information System (MMIS) that is in the final stages of development. At that time, we informed you that we were planning to implement the new MMIS in the Summer of 2003.

Implementation of the system is now scheduled for June 27, 2003. As stated in the earlier Medicaid Memo, the new MMIS will be fully compliant with all Health Insurance Portability and Accountability Act of 1996 (HIPAA)-required standard transactions and code sets. However, since the new MMIS is scheduled to be implemented before the extended mandatory HIPAA compliance date of October 16, 2003, DMAS will continue to accept electronic claims in National Standard Formats (NSF) until compliance becomes mandatory. However, for claims received on or after October 16, 2003, the MMIS will accept only HIPAA standard transactions and code sets for electronic claim submissions. Paper claims will continue to be accepted after October 16, 2003.

In the upcoming months, we will be providing you with more details regarding any impact the new MMIS may have on the procedures you currently have in place to do business with DMAS. There are, however, some key dates and events that we wanted to share with you at this time. They are as follows:

December 2002 – DMAS will provide technical specifications and trading partner agreements for the HIPAA-required Electronic Data Interchange (EDI) transactions and code sets. The trading partner agreements will contain instructions for electronic billing, file layouts, and companion guidance on implementing the standard transactions.

January 2003 – DMAS' fiscal agent, First Health Services Corporation, will schedule business-to-business EDI testing which will start by April 16, 2003. First Health staff will be available to assist providers and service centers with preparations for the testing. Details will be provided in an upcoming Medicaid Memo.

March 2003 – Statewide eligibility vendor shows will be held. The new MMIS will provide new electronic options for verification of recipient eligibility by providers. The vendor shows will provide a venue for providers to preview products that will be available for use in taking advantage of these new options. You will be receiving notice in advance of the scheduled shows.

June 2003 – Statewide provider training sessions on HIPAA and new MMIS changes that will impact providers will be held in the early part of June 2003. You will be receiving training notices in advance of the scheduled training. DMAS will begin operating its new HIPAA-compliant MMIS on June 27, 2003. The design will allow for the submission of both NSF and X12 formats for electronic claims transactions. This will continue until October 16, 2003, at which time only HIPAA-compliant electronic transactions and paper claims will be accepted in accordance with the law.

October 2003 – On October 16, 2003, DMAS will replace local code sets (Virginia-specific codes, i.e., "Y" and "Z" codes) with national code sets. This will apply to all claims, both electronic and paper, received on or after October 16, 2003. More detailed information on the transition from local to national codes will be forthcoming.

DMAS' HIPAA Website

You will be receiving more detailed information regarding the new MMIS and HIPAA compliance over the coming months. In the interim, please check our HIPAA website at www.dmas.state.va.us/HIPAA for up-to-date information on the status of our HIPAA initiatives.

"HELPLINE"

The "HELPLINE" is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The "HELPLINE" numbers are:

786-6273	Richmond area
1-800-552-8627	All other areas

Please remember that the "HELPLINE" is for provider use only.